



Nova Scotia

ANNUAL REPORT

*for the fiscal year
ending March 31, 1986*

Department
of Housing

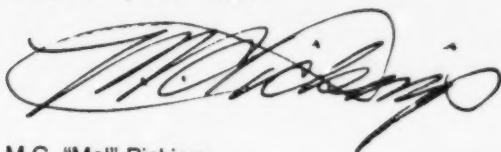


To His Honour
The Honourable Alan R. Abraham C.D.
Lieutenant-Governor of Nova Scotia

May It Please Your Honour:

I have the honour to submit the Annual Report of the Nova Scotia
Department of Housing for the fiscal year April 1, 1985 to March 31, 1986.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'M. Pickings', with a large, sweeping flourish at the end.

M.C. "Mel" Pickings
Minister of Housing

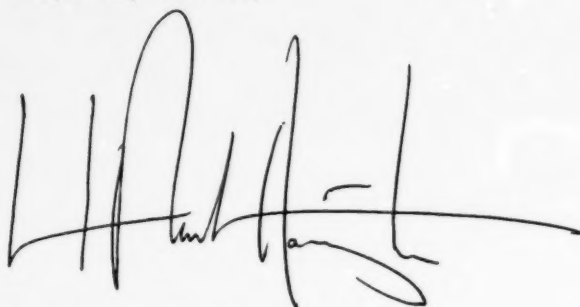


To the Honourable M.C. "Mel" Pickings
Minister of Housing

Sir:

I have the privilege on behalf of the Department of Housing to present
my report on the work of the Department for the year 1985-1986.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M.H.F. Harrington'. The signature is fluid and stylized, with a long horizontal stroke extending to the right.

M.H.F. Harrington
Chairman of the Housing Development Board



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HOUSING DEVELOPMENT BOARD**Members**

M.H.F. Harrington, Chairman
R.E. Geraghty, Deputy Minister
M.E. Stanbury
J.B. Sawyer
C.R. Gallant
J.V. Paul

DIRECTORS

D.W. Kerr, Director of Program and
Property Management
R.E. Boyd, Director of Finance
E.A. Clarke, Director of Planning Services
M.D. MacGray, Director of Administration

INTRODUCTION

The past year concluded with increased housing starts, new and revised programs and the signing of a new Global Agreement with Canada Mortgage and Housing Corporation (CMHC). Also, two bills were introduced in the Legislature to provide the Department of Housing with the mechanisms to continue to provide innovative policies and programs while responding to changing situations. These bills were An Act to Incorporate the Nova Scotia Housing Development Corporation (Bill No. 8) and An Act to amend the Housing Act (Bill No. 77).

It was the Provincial Housing Report of the 1930's that indicated an extreme shortage of proper housing for lower income families in Nova Scotia; as a result their social and physical well-being was deteriorating. This report provided the government of the day with the desire to improve the living conditions of its constituents.

The Nova Scotia Housing Commission was created in 1932 to help meet this challenge. To improve the delivery of housing in the province, the Commission became the Nova Scotia Department of Housing on November 9, 1983, as a result of the proclamation of Bill No. 66, An Act Respecting Housing.

It was the Nova Scotia Housing Commission that gave Canada its first cooperative housing undertaking—the Arnold Cooperative Housing Ltd.—in Reserve Mines in 1938. The Arnold Co-Op still prospers. The basic philosophy that created co-operative housing, that of sweat equity and helping oneself, still continues in the Self-Helping Housing Program. With the addition of the 203 units built through the Self-Help Housing Program in 1985-86, there are now more than 8,000 housing units in Nova Scotia, reflecting the efforts of the Department to assist individuals who wish to build their own homes yet find this difficult.

The mandate of the Department—to contribute to the creation of dwelling units to many different groups of Nova Scotians needing assistance—requires that the programs offered be diversified. A new package of programs will provide a broader spectrum of society with the opportunity to join other Nova Scotians in better living conditions and the potential for home ownership. The growing needs of special interest groups such as seniors, the handicapped, low- to middle-income families will be addressed. The Department continues to pursue the moral mandate of ensuring an adequate and affordable supply of dwelling units.

The Department reviews and modifies its programs to provide the maximum assistance to housing within budget guidelines, while endeavoring to realize the optimum social and environmental benefit for the recipients. These changes are reflected in the Lease Purchase and Public Housing programs as a result of the new Federal-Provincial Global Agreement on Social Housing.

The Federal-Provincial Global Agreement on Social Housing was signed in February. This \$39 million funding accord will provide additional housing units in the province. The Department also agreed to cost-share the delivery of the Non-Profit Program and the Rent Supplement Programs.

The significant increase in total provincial housing starts from just under 5,000 last year to more than 7,000 units in 1985-86 required the Department to continue to make serviced and unserviced residential lots available throughout the province. Servicing of Kidston Estates, Phase 1, the first land assembly development within the city of Halifax, began in the fall of 1985. Work continued at the Millwood and Sackville Lakes land assemblies; lots went up for sale in Millwood in June, and the two developments were connected by extending Stokil Drive.

The Department continued to assist the Bridgewater Development Commission in the development of land through its participation in the Glen Allen Subdivision. Cooperation with municipal units and the exchange of skills have allowed many senior citizens projects to proceed. Both Bridgewater and the city of Halifax have benefitted from this exchange with the Department, which resulted in a proposed 20-unit senior citizens home in the Glen Allen Subdivision in Bridgewater and a 30-unit senior citizens home being constructed adjacent to the Family Court Building at Richmond School in the historic area of North end Halifax.

The Department called proposals for several parcels of land that would be suitable for multi-housing development. Two apartment buildings are now being constructed on Woodridge Court in Forest Hills, providing another 60 units for this area. This involvement with the private sector provides for the development of additional housing units within the province at minimal cost to the Department.

The establishment of an annual housing design competition was announced by the Minister in December. The competition is open to all students enrolled in the School of Architecture at the Technical University of Nova Scotia and is co-sponsored by the Nova Scotia Department of

Housing, Canada Mortgage and Housing Corporation and the Nova Scotia Home Builders Association, reflecting their common concern for the quality of affordable housing in the province.

In March, the Department once again presented "Housing Education Week". During this event, staff members concentrated on informing the public of the various housing programs and services available to Nova Scotians. Housing is an integral component of the provincial economy, and the Department continues to liaise with the residential component of this sector to ensure that support is provided. The exchange of information and scheduling of developments have proven beneficial to all parties.

The Department, in consort with the Department of Development and Canada Employment and Immigration Commission, employed more than 1,300 people through the Provincial Employment Program. Most tasks undertaken were devoted to assisting senior citizens, fixed-income families and disabled Nova Scotians to maintain their properties and remain in their own homes.

Another successful Nova Scotia Home Awards competition resulted in the greatest number of entries being submitted to date. This program recognizes and acknowledges excellence in housing design, innovation and rehabilitation. Designs were submitted by both housing professionals and lay people and were evaluated on a number of criteria, including originality, use of indigenous Nova Scotia materials, energy conservation, cost and financial packaging.

ORGANIZATION

The Department is organized into four divisions: Program and Property Management, Planning Services, Finance and Administration.

Program and Property Management Division

The Program and Property Management Division comprises head office staff in Dartmouth and regional office staff in Sydney, New Glasgow, Bedford and Middleton. There are district offices in Amherst and Liverpool, with a field office in Port Hawkesbury. There are also sales offices located in the Baile Ard Subdivision in Sydney and the Millwood Village Subdivision in Middle Sackville.

The Division liaises with other provincial government departments, agencies and federal government departments as it relates to policy matters regarding housing.

This division is divided into two sections: property management and program management.

The Property Management Section is responsible for managing the departmental real estate portfolio, including all aspects of land administration from acquisition to disposal. It provides the lead in managing the province's housing authorities by setting policy and procedure guidelines and overseeing their operation.

The Program Management Section is responsible for the delivery of all Department of Housing programs in the province. The Section formulates policies and procedures relating to the programs and their delivery. These are completed in consultation with other divisions and with the public.

This section also acts as a housing information resource in the community. To achieve this, policies and procedures relating to program delivery are formulated in consultation with other divisions of the Department and the public.

Together with Canada Mortgage and Housing Corporation, Program and Property Management implements federal/provincial cost-shared programs, including the Public Housing, Lease Purchase and Public Non-Profit housing programs.

Program and Property Management is responsible for delivering those housing programs financed exclusively by the province, including the Self-Help, Senior Citizens Assistance, Provincial Housing Emergency Repair, Small Loans Assistance, Land Sales, Access-A-Home and Bridge Financing programs.

Planning Services Division

The Planning Services Division provides the professional and technical services required by the Department in the fields of planning, architecture and engineering. These services include the following: long-range planning, incorporating statistical analysis, research, preparation of housing studies and reports, housing policy development and capital program preparation; community planning, incorporating master planning, subdivision design and survey work, processing of municipal approvals and transfer of servicing systems; architectural services, incorporating site selection, conceptual design, tender documents, job monitoring, hiring and overseeing outside design consultants; and engineering services, incorporating design, construction drawings, tender documents and contract preparation, establishment of engineering standards, and advising and servicing housing authorities on technical issues.

Finance Division

The Finance Division is responsible for all financial and accounting matters within the Department of Housing and for the development and monitoring of standard accounting and reporting systems relating to 45 housing authorities throughout the province. For the Department, the Division's responsibilities for accounting systems include capital expenditures detailed by cost element, recoveries, subsidies, mortgage accounting, Order-in Council commitment accounting, cost sharing and cost accounting.

The Division operates an approval system for all capital operating and subsidy expenditures, inputs payment data to the Department of Finance computer and disburses the cheques to creditors. Staff members receive and deposit all mortgage payments, recoveries of billings made to CMHC and municipalities on cost-shared programs, and miscellaneous payments. They assume responsibility for the administration of a mortgage and loan portfolio in excess of \$100 million, which includes paying taxes and making certain that the security is insured against fire.

The Division also coordinates the preparation of annual operating, subsidy and capital cash flow budgets for the Department and monitors actual performance against these budgets during the year. The staff is also responsible for all credit and collection policy and head office collection activity, including the initiation of foreclosure and judgement action.

Administration Division

The Administration Division provides all support services for the Department. These activities relate to four functional areas: Administrative Services, Staff Services, Legal Services and Records Management.

The Administrative Services Section ensures that the Department develops a coordinated approach to all initiatives and activities undertaken that have implications for the entire department. These relate to office facility and space management, office automation, public relations management, promotion and information services, administrative staff services support for the Housing Development Board, policy and procedure development and purchasing.

Legal Services ensures that a comprehensive range of systems and services is developed and implemented to provide legal advice and assistance to the Deputy Minister and senior management of the Department. All services are fully coordinated with the Department of the Attorney General through resident legal counsel.

The Records Management Section ensures that records are handled in a planned system through a centralized records entry and retrieval system. This includes the care and custody of all documents and records, circulation control, final disposition of records and coordination of micrographic services. This section is responsible for courier services, supplies and inventory control measures.

The Staff Services Section provides assistance and advice to senior management in achieving the most effective and efficient use of Department staff. Specific activities include the provision of comprehensive staff and personnel administration records, management development initiatives, short-term employment opportunities and a full range of personnel policy and procedure statements.

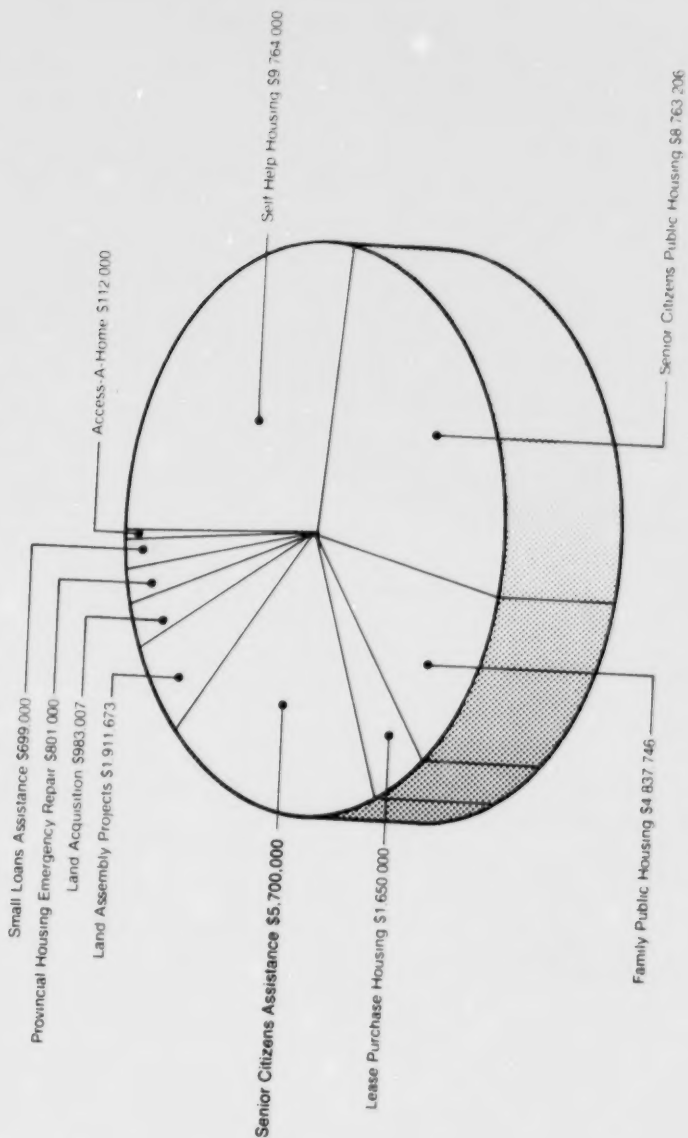
Housing Development Board

The Department of Housing operates with a body known as the Housing Development Board. Comprising members appointed by the Governor-in-Council and including the Deputy Minister, the Board exercises legislative authority in reviewing all loan and grant submissions. It follows established program, policy and procedure guidelines and may recommend approval, rejection or deferral. The Board also carries out any other duties the Minister of Housing may prescribe.

**1985-1986
PROGRAM SUMMARY**

	Number of Approved Applicants	Funds Approved
Senior Citizens Public Housing	222	\$ 8,763,206
Family Unit Public Housing	95	4,837,746
Self-Help Housing	203	9,764,000
Lease Purchase Housing	30	1,650,000
Access-A-Home	105	112,000
Provincial Housing Emergency Repair	356	801,000
Small Loans Assistance	191	699,000
Senior Citizens Assistance	2,197	5,700,000
Land Assembly Projects	—	1,911,673
Land Acquisition	—	983,007
TOTAL	<u>3,399</u>	<u>\$35,221,632</u>

Nova Scotia Department of Housing Annual Report 1985-86
Program Expenditures



**NOVA SCOTIA DEPARTMENT OF HOUSING
HOUSING STARTS 1980-1986**

April 1 to March 31¹	NSDH-Sponsored Housing Starts²	Total Provincial Housing Starts
1980	700	4,609
1981	615	3,738
1982	1,077	3,716
1983	720	3,670
1984	677	5,631
1985	554	4,942
1986	550	7,007 ³

¹ For example, 1980 represents starts between April 1, 1979 and March 31, 1980

² Represents a combination of tender awards and applicant approvals for Senior Citizens and Family Unit Public Housing, Self-Help and Lease Purchase Housing Programs.

³ Figures include preliminary starts for the period January to March 1986 for all of Nova Scotia.

Province of Nova Scotia Total Housing Starts - 1981-86 (April 1 to March 31)						
UNITS	1981	1982	1983	1984	1985	1986
8000						
7000						7007
6000				5631	4942	
5000						
4000	3738	3716	3670			
3000						

HOUSING FOR FAMILIES

The provincial Family Public Housing Program provides affordable, comfortable homes for families in the low- to medium-income range.

Prospective applicants are point scored for eligibility, and priority is given to those with the highest number of points. Points are awarded for a variety of reasons: the family's needs, income, amount of present rent, and the condition of present accommodations. Applicants must also have been residents in the particular community for 12 consecutive months within the last three years.

Rent is based on the gross family income of the tenants. The rent-to-income scale presently ranges between 16.7 per cent and 25 per cent of gross income, with appropriate reductions for services not provided and for each child.

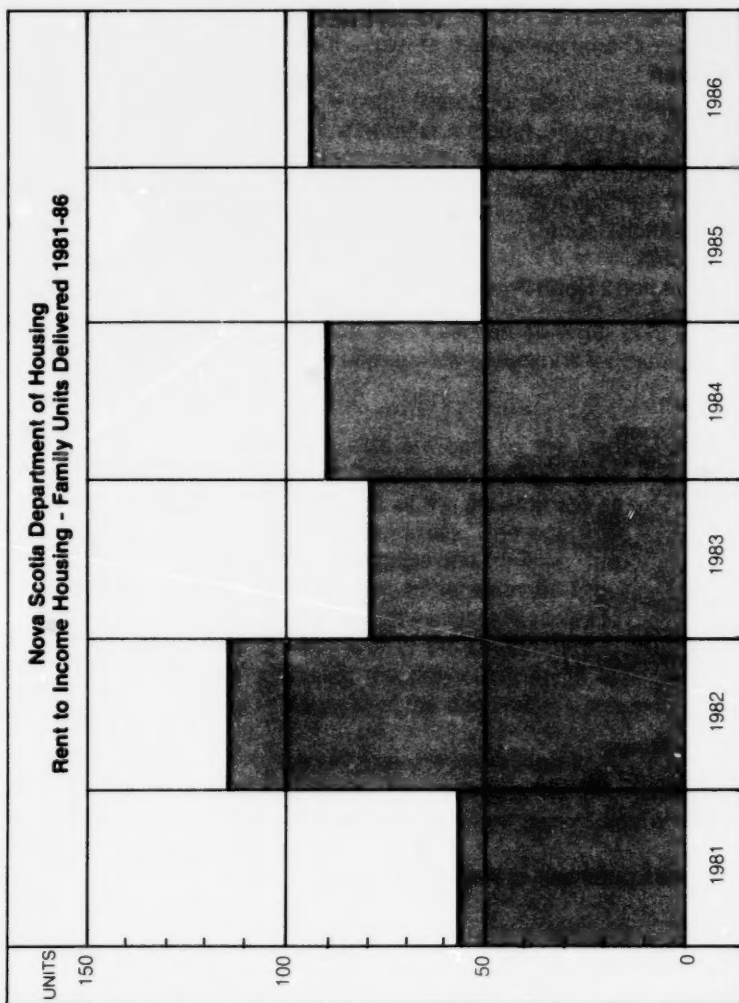
Family Public Housing projects are built by the Department and Canada Mortgage and Housing Corporation through Section 40 of the National Housing Act. Capital costs of the projects are shared 75 per cent federally and 25 per cent provincially. The operating losses are shared 75 per cent by Canada Mortgage and Housing Corporation with the remaining 25 per cent being divided between the Province and the relevant municipality based on that municipality's ability to pay. During the actual construction of each project the Department is responsible for acquiring the land, tendering the project contracts, designing the project and overseeing all aspects of the construction process.

Once projects are completed, they are turned over to a local housing authority, which administers them. These authorities are responsible for tenant selection, rent collection, project staff supervision and daily operating matters.

**1985-1986
RENT-TO-INCOME HOUSING—FAMILY UNITS
DELIVERED**

Location	Units	Amount
Amherst	3	\$ 149,400
Amherst 4 Maccan 2	6	254,039
Antigonish County	4	199,200
Argyle 2 Barrington 2	4	196,181
Cape Breton County	7	305,600
Dartmouth	5	348,800
East Preston 2 North Preston 4	6	330,000
Glace Bay	4	185,980
Halifax	10	540,314
Halifax	4	209,000
Ingonish	2	104,876
Kings County	4	225,109
Kings County/Canning	6	347,239 ¹
Louisdale	2	99,800
Mount Uniacke 1		
Nine Mile River 1	2	142,379
Mulgrave	2	98,568
New Waterford	8	343,703
Parrsboro	3	133,000
Shelburne County	2	98,355
Springhill	3	149,880
Sydney	4	188,670
Sydney Mines	2	90,581
Upper Clements	2	97,072
TOTAL	95	\$4,837,746

¹ Includes purchase of five existing units.



HOUSING FOR SENIOR CITIZENS

The Senior Citizens Public Housing Program provides inexpensive, pleasant living accommodations for Nova Scotia's senior citizens.

Applicants must be 58 years of age or over and able to maintain their own apartments. Entry is not restricted, but priority is extended to individuals in the lower income levels through a point rating system. Points are awarded based on the income of the applicant, his or her health and present living accommodations. Each applicant must have resided in the particular community of application for 12 consecutive months within the last three years.

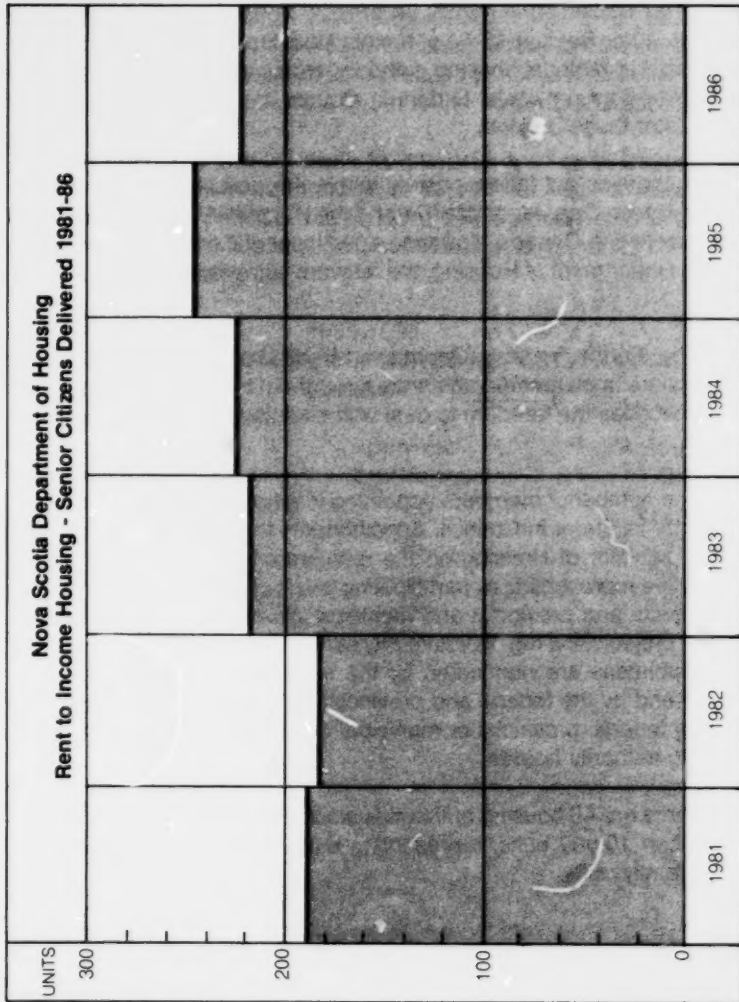
The rent is based on the gross family income of tenants. The rent-to-income scale presently ranges between 16.7 per cent and 25 per cent of gross income.

Senior Citizens Public Housing projects are built under a federal-provincial partnership agreement through Section 40 of the National Housing Act. The capital cost is shared 75 per cent by Canada Mortgage and Housing Corporation and 25 per cent by the province. The operating losses are shared 75 per cent by Canada Mortgage and Housing Corporation, with the remaining 25 per cent being divided between the Province and the relevant municipality. During the actual construction of each project the Department is responsible for acquiring the land, tendering the project contracts, designing the project and overseeing all aspects of the construction process.

As with Family Public Housing units, once projects are completed they are turned over to a local housing authority, which administers them. These authorities are responsible for tenant selection, rent collection, project staff supervision and daily operating matters.

**1985-1986
RENT-TO-INCOME HOUSING—SENIOR CITIZENS
DELIVERED**

Location	Units	Amount
Cheticamp	11	\$ 403,297
Halifax	41	1,518,514
Halifax	30	1,288,500
Hants Border	15	656,000
Mabou	4	177,000
Middle Musquodoboit	10	388,717
Mira Road	10	375,200
New Waterford	15	645,396
Parrsboro	16	670,880
Stellarton	15	603,122
Sydney	15	555,000
Sydney Mines	15	578,110
Timberlea	15	534,600
Yarmouth	10	368,870
TOTAL	<u>222</u>	<u>\$8,763,206</u>



HOUSING AUTHORITIES

All Senior Citizens and Family Unit Public Housing projects built under Section 40 or Section 43-44 of the National Housing Act are managed by a local or regional housing authority. Housing authorities have been established by provincial Orders in Council to manage, maintain and administer these projects.

Authorities act independently within the policies contained in the *Public House Operations Manual* and the Housing Authority Agreement made between Canada Mortgage and Housing Corporation, the Nova Scotia Department of Housing, the relevant authority and the municipality.

The *Public Housing Operations Manual* ensures that the basic policies are implemented uniformly throughout the province and allows the authorities the freedom to deal with situations unique to each community.

The number of members appointed to a housing authority is established by its Order in Council. Appointments to the authority are made by the Minister of Housing on the recommendations of a nominating committee representing all participating levels of government for Section 40 projects and provincial and municipal governments for Section 43 and 44 projects. If a regional authority serves more than one municipality the appointees are nominated by the relevant municipal councils involved and by the federal and provincial ministers. Elected individuals holding federal, provincial or municipal offices are not eligible to sit on housing authority boards.

There are 45 housing authorities across the province administering more than 10,000 units, representing 6,800 senior citizens units and 3,200 family units.

PROVINCIAL HOUSING EMERGENCY REPAIR PROGRAM

The Provincial Housing Emergency Repair Program (PHERP) provides grants of up to \$2,500 to families who cannot afford to do emergency home repairs. These repairs must be related to home and safety standards and be for items posing a threat to the health of the applicant.

Applicants must own or have a life interest in the home, and priority is given to persons with an income of \$6,000 per year or less. The home must be the principal residence of the applicant and a single family unit, but it may be detached, semi-detached, a mobile home or one unit of row housing.

1985-1986**PROVINCIAL HOUSING EMERGENCY REPAIR PROGRAM
SUMMARY**

Regions	Approved Applicants	Amount of Grants
Region 1 (Cape Breton)	74	\$162,000
Region 2 (Central)	68	157,000
Region 3 (Halifax Metro)	128	300,000
Region 4 (Valley, South Shore)	86	182,000
TOTAL	<u>356</u>	<u>\$801,000</u>

SENIOR CITIZENS ASSISTANCE PROGRAM

This program is designed to help senior citizens who wish to stay in their homes but cannot afford the necessary repairs and alterations that would make this possible.

A forgiveness loan is given for the actual cost of labour and materials to a maximum of \$3,000. The loan is secured by a forgiveness loan agreement and is forgiven at the rate of \$83.34 per month as long as the senior continues to own the home and live in it. If the title is transferred, the unforgiven balance becomes due and payable.

To qualify for the program an individual must be 65 years of age or over, own, be part owner or have a life interest in the home, and reside there. Priority is given to applicants with a combined income of \$12,000 or less. Only in cases of extreme emergency will an applicant be eligible if previous assistance under any federal or provincial rehabilitation program has been received.

The residence must be a single family home, including detached, semi-detached or one unit of row housing. If title to the house is transferred, the unforgiven balance becomes due and payable.

1985-1986 SENIOR CITIZENS ASSISTANCE PROGRAM SUMMARY

Regions	Approved Applicants	Amount of Loans
Region 1 (Cape Breton)	463	\$1,200,000
Region 2 (Central)	496	1,300,000
Region 3 (Halifax Metro)	580	1,600,000
Region 4 (Valley, South Shore)	658	1,600,000
TOTAL	<u>2,197</u>	<u>\$5,700,000</u>

ACCESS-A-HOME PROGRAM

The Access-A-Home Program offers financial assistance for home renovations to individuals or members of their families who are confined to a wheelchair because of a long-term disability. The grant amount varies according to the applicant's gross family income. The maximum amount available varies from \$750 to \$1,350, depending on the income of the applicant.

Program participants with a gross yearly family income of \$15,000 or less receive a grant of 90 per cent for the first \$1,500 of approved work and materials in place. Participants with a gross yearly family income of \$15,001-\$30,000 receive a grant of 70 per cent for the first \$1,500 of approved work and materials in place, while those whose gross yearly family income is more than \$30,000 receive a grant of 50 per cent for the first \$1,500 of approved work and materials in place.

The individual or applicant is given a grant to cover the cost of labour and materials needed to eliminate architectural barriers. The individual must live in the home and own or have a life interest in it. Remodeled bathrooms, lowered light switches, chair lifts and ramps are all examples of work that has been completed through this program.

1985-1986**ACCESS-A-HOME PROGRAM
SUMMARY**

Regions	Approved Applicants	Amount of Grants
Region 1 (Cape Breton)	25	\$ 30,000
Region 2 (Central)	17	17,000
Region 3 (Halifax Metro)	45	45,000
Region 4 (Valley, South Shore)	18	20,000
TOTAL	<u>105</u>	<u>\$112,000</u>

SELF-HELP HOUSING PROGRAM

The Self-Help Housing Program provides mortgages to qualifying Nova Scotians who wish to build their own houses but may find it difficult to do so in the private market. Loans are made to families whose combined income is within the established program guidelines. Their financial situation must be such that they can afford homeownership.

The loan is payable over a maximum of 25 years. The current interest is one-half per cent above the provincial borrowing rate, which is subject to change quarterly. The maximum loan is also limited to monthly payments that do not exceed 27 per cent of the family's gross income.

All proposed building sites must be approved by the local municipal planning authority and the Department of Housing. Although the house design is the selection of the individual, it must meet the Department of Housing's guidelines for size and design.

Assistance in completing the necessary documentation, as well as technical help with the actual construction of the house, is provided free of charge by the Department of Housing staff.

1985-1986 SELF-HELP HOUSING PROGRAM SUMMARY

Regions	Approved Applicants	Mortgage Funds Approved
Region 1 (Cape Breton)	48	\$2,052,000
Region 2 (Central)	28	1,302,000
Region 3 (Halifax Metro)	90	4,676,000
Region 4 (Valley, South Shore)	37	1,734,000
TOTAL	<u>203</u>	<u>\$9,764,000</u>

LEASE PURCHASE HOUSING PROGRAM

The Lease Purchase Housing Program is designed to help low- and middle-income families acquire homes of their own through a subsidized rental system.

Homes must be single-family dwellings, newly constructed or existing (never occupied), and may be detached, semi-detached or one unit of row housing. House plans, specifications and building lots are approved by the Department of Housing in accordance with Canada Mortgage and Housing Corporation's regulations.

A Lease Purchase Agreement allows eligible applicants to purchase a home within the first five years of occupancy at the original capital cost. In instances in which the occupant initially contributed \$1,500 in equity, the option is extended to nine years. This may be an initial contribution or accumulated during occupancy through improvements. After purchasing the home the tenant must remain in it for a further five years to qualify for all of the appreciated value.

The applicants pay approximately 25 per cent of their income as rent and are responsible for any ongoing maintenance and all utilities. The balance of the operating costs are provided by Canada Mortgage and Housing Corporation, while the Department of Housing is responsible for the administration, capital replacement, insurance and property tax payments.

1985-1986 LEASE PURCHASE HOUSING PROGRAM SUMMARY

Regions	Approved Applicants	Mortgage Funds Approved
Region 1 (Cape Breton)	10	\$ 480,000
Region 2 (Central)	1	45,000
Region 3 (Halifax Metro)	18	1,068,000
Region 4 (Valley, South Shore)	1	57,000
TOTAL	<u>30</u>	<u>\$1,650,000</u>

SMALL LOANS ASSISTANCE PROGRAM

This program provides low-interest loans for repairs, alterations or additions to, and for completion or partial completion of, a single-family home. Loans are available of up to \$5,000 with a maximum term of five years.

The program is for families with an income of less than \$17,000 a year. The interest rate is eight per cent or less for an adjusted family income of \$12,000 annually, and 10 per cent for those having an adjusted family income of \$12,001-\$14,000. For those above these income guidelines the interest rate is the provincial borrowing rate at the time of approval.

Loans are secured by a first or second mortgage on the house. When a second mortgage is taken, the balance owing on the first mortgage must not exceed 75 per cent of the appraised value of the home.

**1985-1986
SMALL LOANS ASSISTANCE PROGRAM
SUMMARY**

Regions	Approved Applicants	Mortgage Funds Approved
Region 1 (Cape Breton)	70	\$228,000
Region 2 (Central)	26	102,000
Region 3 (Halifax Metro)	71	272,000
Region 4 (Valley, South Shore)	24	97,000
TOTAL	191	\$699,000

BRIDGE FINANCING FOR NON-PROFIT CO-OPERATIVE HOUSING

Non-profit co-operative housing is administered directly by Canada Mortgage and Housing Corporation through Section 56.1 of the National Housing Act. The Department of Housing, though, has been instrumental in the success of co-operatives in this province.

The Department provides interim financing at reasonable interest rates, enabling these co-operatives to make necessary financial commitments before first mortgage draws are available.

During 1985-1986, one co-operative project took advantage of this program: the Wolfville Area Interchurch Housing Society, an 8-unit project, received \$53,000 in interim financing.

LAND ACQUISITION AND DEVELOPMENT PROGRAM

The Department's Land Acquisition and Development Program is intended to help ensure a supply of moderately priced serviced land within serviced areas of Nova Scotia. This program is also intended to provide moderately priced serviced building sites to private home builders, small and large building contractors, commercial and institutional developers.

Sizable subdivisions have been undertaken in the Halifax-Dartmouth metropolitan area at Cole Harbour, Lower and Middle Sackville and Spryfield, and also in Sydney, Cape Breton. In addition, a number of smaller projects have been developed at various locations throughout the province.

In the case of the large subdivisions, serviced land is designed for low- and high-density residential development as well as for commercial and institutional uses, and substantial parkland tracts are set aside for public recreational use.

Through this program the Department of Housing undertakes the complete process from acquiring the vacant raw land through the planning, servicing and marketing stages.

1985-1986 LAND ACQUISITION SUMMARY

Location	Acres	Lots
Amherst		3
Amherst		2
Amherst		2
Annapolis Royal	0.93	
Antigonish County		4
Argyle	1.43	
Barrington		2
Bras D'Or		
(Meadowbrook Subdivision)		39
Bridgewater	0.84	
Brooklyn-Queens County		2
Carleton Corner/Nictaux		4
Cheticamp	0.85	
Clare		4

Dartmouth		2
Dingwall	1.147	
Dominion		1
East Preston		2
Eastern Passage		1
Halifax	0.15	
Halifax	0.95	
Hants Border	1.82	
Ingonish		2
Inverness County		2
Kings County		4
Mabou	0.28	
Maccan	0.47	
Mount Uniacke		2
New Glasgow	0.43	
New Waterford		4
New Waterford		4
Noel-Hants County	2.06	
Parrsboro	1.98	
Parrsboro		3
Petit de Grat	0.68	
Reserve Mines		3
River Bourgeois	1.13	
Sheet Harbour		2
Springhill		1
Sydney Mines		2
Sydney Mines	1.58	
Trenton	0.17	
West Hants	0.94	
Weymouth		2
Yarmouth		1
TOTAL	<u>17.837</u>	<u>100</u>

**1985-1986
LAND ASSEMBLY PROJECTS
TENDER AWARDS
SUMMARY**

Location	Type of Work	Amount of Tender Award¹	Lots Created²
Forest Hills			
Phase 10A	Paving	\$ 166,015	—
Phase TC 5-6	Storm Servicing	36,580	—
Phase TC 3	Running Track	57,966	—
Phase TC 3	Running Track	20,050	—
Phase 10C	Servicing	412,854	68
Sackville			
Phase 11	Paving	193,529	—
Phase 11A	Paving		
Millwood			
Phase 1A	Paving	230,812	
Beaverbank Cross Rd.	Road Construction	52,270	
Millwood/Stokil Dr.	Road Construction	18,375	—
Phase 2 & 3	Survey Work	44,276	—
Kidston Estates			
Phase 1A	Servicing	678,946	50
TOTAL		<u>\$1,911,673</u>	<u>118</u>

¹ Value at time of tender award; does not include value of change orders.

² Expressed in units.

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
FINANCIAL STATEMENTS
MARCH 31, 1986**

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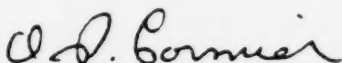
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AUDITOR'S REPORT

To the Chairman and Members
of the Housing Development Board and to
the Minister of Housing

I have examined the balance sheet of the Housing Development Fund as at March 31, 1986, the statements of advances and recoveries, and continuity of the fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Housing Development Fund as at March 31, 1986, and the advances, recoveries and continuity of the fund for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
July 11, 1986

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
BALANCE SHEET
MARCH 31, 1986**

Assets

	1986	1985
Advances for the Purchase of Land	\$ 84,292	\$ 268,097
Accounts Receivable (Schedule I)	4,646,876	3,009,492
Mortgages Receivable (Schedule II)		
(Note 3)	92,427,968	94,212,921
Deferred Charges	70,767	28,796
Investment in Land and Housing		
Projects (Schedule III) (Note 2)	105,756,034	104,332,996
	<u>\$202,985,937</u>	<u>\$201,852,302</u>

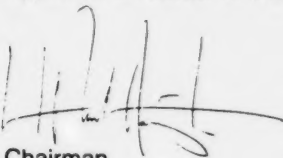
Liabilities and Fund Balance**Liabilities**

Accounts Payable (Schedule IV)	\$ 1,669,140	\$ 1,210,212
Contractors' Holdback Payable	1,397,540	929,934
Notes Payable (Schedule V)	71,918,598	75,889,752
	<u>74,985,278</u>	<u>78,029,898</u>

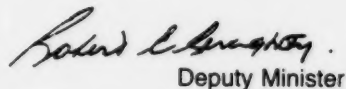
Fund Balance

Contributed Surplus (Note 4)	4,000,000	2,000,000
Advances from Consolidated Fund		
(Authorized \$154,000,000)	129,331,436	127,471,191
Less: Allowance for Doubtful		
Recoveries	5,330,777	5,648,787
Net Advances	<u>124,000,659</u>	<u>121,822,404</u>
Fund Balance	<u>128,000,659</u>	<u>123,822,404</u>
	<u>\$202,985,937</u>	<u>\$201,852,302</u>

Approved on behalf of the Board



Chairman



Deputy Minister

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
STATEMENT OF ADVANCES AND RECOVERIES
FOR THE YEAR ENDED MARCH 31, 1986**

	1986	1985
Advanced to the Fund,		
Beginning of Year	\$127,471,191	\$126,939,418
Advances		
Public Housing Construction Costs	17,074,766	13,979,693
Land Servicing Costs	4,618,628	5,562,833
Repayments on Notes Payable		
Co-operative Housing	3,703,649	3,889,058
Land Assembly	162,812	167,464
Public Housing	102,357	94,607
Lease Purchase Housing	1,346,725	1,435,366
Mortgage Advances		
Small Loans Assistance	585,605	414,589
Rural and Native Housing	969,741	2,159,298
Provincial Self-Help	11,151,827	8,929,781
Interim Financing— Non-Profit		
Housing Co-operatives	208,237	181,831
Other	2,337	—
Recovery of Prior Years' Write-Offs	96,378	158,994
Total Advances	<u>40,023,062</u>	<u>36,973,514</u>
	<u>167,494,253</u>	<u>163,912,932</u>
Recoveries		
Recovery from CMHC— Public		
Housing	12,513,421	10,386,234
Land Servicing Recoveries	457,895	243,221
Land Sales	5,876,952	8,283,557
Repayments on Mortgages		
Receivable		
Co-operative Housing	5,356,563	4,448,284
Small Loan Assistance	461,302	420,374
Provincial Self-Help	2,569,653	1,576,342
Lease Purchase Mortgage	2,175,252	471,837
New Home Mortgage	1,951,039	1,875,282
Rural and Native Housing	253,718	191,392
Interim Financing— Non-Profit		
Housing-Co-operatives	245,528	362,493
Canada-N.S. Home Insulation		
and Electric Conversion	4,248,749	6,019,123

Canada/Nova Scotia Off-Shore Development Fund	2,000,000	2,000,000
Other	52,745	107,885
Write-Off of Doubtful Accounts	—	55,717
Total Recoveries	<u>38,162,817</u>	<u>36,441,741</u>
Advanced to the Fund, End of Year	<u>\$129,331,436</u>	<u>\$127,471,191</u>

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED MARCH 31, 1986**

	1986	1985
Balance, Beginning of Year	\$154,000,000	\$154,000,000
Add: Authorizations for the Year	<u>—</u>	<u>—</u>
Balance, End of Year	<u>\$154,000,000</u>	<u>\$154,000,000</u>
Comprising:		
Advanced to the Fund	\$129,331,436	\$127,471,191
Balance Unadvanced	<u>24,668,564</u>	<u>26,528,809</u>
	<u>\$154,000,000</u>	<u>\$154,000,000</u>

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1986**

1. Authority

The provincial share of capital housing programs is financed through the Housing Development Fund as established by Section 20 (1) of the Housing Act. These programs include the construction of lease purchase housing units, low-interest loans for home construction and rehabilitation, the assembly and servicing of land, and the construction of public housing.

2. Accounting Policies

Public Housing

Public housing projects are carried at cost, which includes the costs of site investigation, land, construction, administration and interest during construction.

Section 40 projects are jointly owned by Canada Mortgage and Housing Corporation and the Department of Housing. Therefore, only the Department's 25% share of costs is reflected in these financial statements. Section 43 projects are owned by the Department and are reflected at 100% of their costs.

Amortization of Public Housing

The capital cost of public housing projects is amortized over a period of fifty years. Amortization for the year ended March 31, 1986 was \$203,491 (\$184,375—1985).

Department-owned rental properties are amortized over a period of twenty or twenty-five years. Amortization for the year ended March 31, 1986 was \$19,306 (\$17,591—1985).

In both cases, the amount of annual amortization will accelerate over the amortization period.

Investment in Land and Land Assembly

Land and land assembly projects are carried at cost of acquisition plus servicing costs, capitalized interest charges and administrative costs, where applicable. If recovery is doubtful, the unrecovered capital cost is reduced by the amount of estimated losses on disposal until the net capital cost reaches a minimal value of \$1.

Profit or loss on sale of land is recognized when the sale of the project is complete. Until then, land sales are carried as deferred revenue.

Operating Revenues and Expenditures

The provincial share of operating expenditures related to capital programs is funded by the Department of Housing's legislative vote. Operating revenues consist primarily of interest revenue on loan programs and are credited to the revenues of the Province. Operating expenditures include administrative costs of the Fund, the Province's share of operating deficits on public housing projects and grants and assistance associated with capital and other programs. Details of operating revenues and expenditures are reported in the Province's Public Accounts.

3. Mortgages Receivable—Rural and Native Housing

No provision has been made in the financial statements for the Department's share of possible bad debt losses on the Rural and Native Program. Borrowers' payments under that program are substantially subsidized by Canada Mortgage and Housing Corporation and the Department of Housing. The Department's share of future payments from borrowers is not expected to be sufficient to meet the full principal balance presently outstanding. Based on past experience, the Department estimates that \$6-\$7 million of the present principal balance outstanding will be absorbed by way of subsidy charges over the life of the portfolio.

4. Contributed Surplus

Under the terms of the Canada/Nova Scotia Off-Shore Development Agreement, \$4 million has been received by the Department of Finance at March 31st, 1986, and recorded as contributed surplus. This amount may be repayable in the future to the federal government out of provincial off-shore revenues under the provisions of the Agreement.

5. Contingent Liability

The Department of Housing has guaranteed a loan to the Wolfville Area Interchurch Housing Society. The expiry date is December 31, 2004, and the amount is not to exceed \$609,000.

The loan balance outstanding at March 31, 1986, was \$605,381.

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1986**

	1986	1985
SCHEDULE I: Accounts Receivable		
Canada Mortgage and Housing Corporation	\$ 4,304,807	\$ 2,693,253
Municipal Governments	232,600	310,600
Other	38,193	5,639
Provincial Government	71,276	—
	<u>\$ 4,646,876</u>	<u>\$ 3,009,492</u>
SCHEDULE II/ Mortgages Receivable (by Program)		
Rural and Native Housing (Note 3)	\$12,433,075	\$11,832,545
Co-operative Housing	33,280,227	38,542,923
Provincial Housing Emergency Rehabilitation	655	1,284
Cape Breton Association for Housing Development	43,363	49,276
Canada-N.S. Home Insulation and Electric Conversion	3,193,552	7,463,662
Provincial Self-Help	24,494,080	15,911,906
Apartment Conversion	51,778	77,151
Small Loans Assistance	1,222,390	1,110,071
Lease Purchase Mortgage	3,960,791	3,433,927
New Home Mortgage	13,855,561	15,806,600
Buy Now Build Later	—	42,405
Interim Financing — Non-Profit Housing Co-operatives	53,000	90,291
	<u>92,608,472</u>	<u>94,362,041</u>
Less: Allowance for Doubtful Recoveries	180,504	149,120
	<u>\$92,427,968</u>	<u>\$94,212,921</u>

**PROVINCE OF NOVA SCOTIA
HOUSING DEVELOPMENT FUND
SCHEDULES SUPPORTING BALANCE SHEET
MARCH 31, 1986**

	1986	1985
SCHEDULE III: Investment in Land and Housing Projects		
Public Housing—Section 40	\$ 51,097,387	\$ 46,270,523
Public Housing—Section 43	31,635,770	31,747,412
Housing for Rental Purposes	392,149	411,455
Lease Purchase Properties	11,664,474	13,082,348
	<u>94,789,780</u>	<u>91,511,738</u>
Land and Property Bank	10,621,030	9,557,150
Land Assembly	42,551,311	39,684,296
Other	1,782,207	1,744,977
	<u>54,954,548</u>	<u>50,986,423</u>
Less: Land Sales to Date on Projects in Progress	<u>38,985,865</u>	<u>33,110,690</u>
Unrecovered Costs	<u>15,968,683</u>	<u>17,875,733</u>
Department-Owned Foreclosed Properties	<u>387,089</u>	<u>445,192</u>
	111,145,552	109,832,663
Less: Allowance for Doubtful Recoveries	5,150,273	5,499,667
	<u>\$105,995,279</u>	<u>\$104,332,996</u>

SCHEDULE IV: Accounts Payable

Due to Canada Mortgage and Housing Corporation		
Rural and Native Housing	\$ 41,925	\$ 157,418
Public Housing	537,634	7,600
Land and Property Bank	—	—
	<u>579,559</u>	<u>165,018</u>
Due to Others		
Lease Purchase Insurance	32,508	31,767
Public Housing	729,421	767,174
Land Assembly	184,817	26,665
Security and Land Deposits	141,332	217,252
Miscellaneous	1,503	2,336
	<u>1,089,581</u>	<u>1,045,194</u>
	<u>\$ 1,669,140</u>	<u>\$ 1,210,212</u>

SCHEDULE V: Notes Payable

Canada Mortgage and Housing Corporation		
Public Housing — Section 43	\$28,457,229	\$28,559,585
Co-operative Housing	36,338,419	40,042,068
Land Assembly	7,021,388	7,180,783
	<u>71,817,036</u>	<u>75,782,436</u>
Department of Regional Economic Expansion	101,562	107,316
	<u>\$71,918,598</u>	<u>\$75,889,752</u>